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March 22, 2005

VIA ELECTRONIC AND HAND-DELIVERY

Mr. Charles Terreni
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

RE: South Carolina Electric & Gas Company Annual Review of Base
Rates for Fuel Costs
Docket No. 2005-2-E

Dear Mr. Terreni:

The objection by South Carolina Electric & Gas to the modest request by the South Carolina Energy Users Committee for a two (2) week continuance in this fuel proceeding demonstrates the utility's failure to appreciate the enormity of its 32% fuel increase request. The continuance would enable both the Commission and the parties to fully analyze the rate increase request and its impact on SCE&G's customers.

First, the fuel increase requested by SCE&G amounts to a 13% overall increase to industrial customers and a 6% overall increase to residential customers. By comparison, the SCE&G requested a mere 2% increase on its industrial customers in its 2004 rate case in docket number 2004-178-E.

Second, any fuel increase is based on both historical and forecast information. Because the SCE&G must submit its fuel purchasing history through January 31, 2005, into evidence, it is impossible for the utility to formulate its request of this Commission for a fuel increase until after that date. In addition, SCE&G must analyze both historical and forecasted information, the necessity of recovering any undercollection and other factors such as the impact of any increase on its customers before committing itself to a fuel increase. Accordingly, it was not until March 2, 2005, when the Company filed and served its testimony, that its customers knew the full extent of any increase and the economic reasons therefore. Extending filing deadlines as requested would permit the parties thirty-five (35) days from the filing of SCE&G's testimony to analyze the impact of the increase. By comparison SCE&G's testimony in its 2004 rate case was filed and served July 15, 2004, giving the parties approximately 90 days to analyze the rate increase, prepare and file their testimony. The increase requested by SCE&G in the 2004 rate case is dwarfed by the increase requested here.

Third, SCE&G should not be permitted to suggest that its January customer relations meeting served notice of the extent of the rate increase requested here. Please remember that SCE&G did not have all the data available to it in January and could not have forecasted this increase. Moreover, these customer relations meetings are meant to engage the Company and its customers in constructive solutions to their mutual concerns. SCE&G would elevate the January customer relations meeting into something that it was not and should not be – an adversarial proceeding, which would in the future require each of its customers to attend with their attorneys and process servers. We would urge the Commission to deny SCE&G's request to turn such customer relations meetings into adversarial proceedings and instead to conclude that the January customer relations meeting did not arise to the level of estopping SCE&G's customers from a full and complete analysis of this proceeding.

For the foregoing reasons and those set out in its motion, the two (2) week requested extension and continuance is modest, is in the interest of a full and complete hearing and is in the public interest.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/jcl

c: All parties of record